

Is Safety at Risk?

By Anne Myhrvold, Director General, Petroleum Safety Authority

**What happens to safety when much of the attention is concentrated on savings and cuts?
Action is now needed to improve safety and reduce major accident risk.**

Most people believe that the petroleum sector's current focus on enhancing efficiency and reducing costs will persist for some time to come.

The industry is challenged by low oil prices. Costs were very high for a time. Therefore, the new reality, with its big budget cuts, contrasts sharply with the years when all the curves were rising.

Changes

Norway's oil and gas sector is currently experiencing downsizing and major organisational changes. Experienced personnel are leaving, and could be lost forever.

The process is so rapid that it can be difficult to keep up. Companies are under pressure to maintain production for as long as possible without compromising on the demand for prudent operation. A similar development is likely to be seen in many other petroleum producing countries.

The Norwegian Petroleum Safety Authority (PSA) has seen several signals over the last year that have indicated that it is time to call a halt, to analyse what is happening and to action. We cannot accept a development that abandons the ambition for continuous improvement. The Storting (parliament) and the government want Norway to be a world leader for health, safety and the environment (HSE). We intend to apply full strength in pursuing this ambition.

Times like these put the industry to the test. Challenges must be tackled and owned by the companies, the unions and the government. Everyone must get involved – that is the only way we can succeed. The companies must manage risk in their operations every single day. Working together, we will develop a sector that learns lessons and is focused on preventing major accidents.

Short-termism

In such conditions, it could be tempting to turn to quick fixes. The PSA believes, however, that such short-termism both can and will bring its own punishment. If the petroleum sector fails to look ahead, both individual companies and industry as a whole are likely to be penalised.

The PSA applies a long-term view in our own assessments and decisions on such issues as design selection, technical quality, organisational considerations and overall spin-offs from the choices made.

In parallel with that, the companies must be certain that the decisions they make today also lay the basis for prudent operation down the road. The players cannot compromise on safety-related considerations.

Action needed

Although petroleum operations in Norway are at a crossroads in many respects, we must jointly ensure that changes do not affect safety work. The PSA is convinced that it is possible to work along two axes simultaneously – saving money through more efficient operation while strengthening the commitment to enhancing HSE. An adaptable petroleum sector will be a strong one. We believe that an industry which is unable to change may be facing major difficulties.

It is the PSA's view that tripartite collaboration between companies, unions and government will be extremely important in the time to come. We need to use established arenas for discussing and developing solutions that will reduce major accident risk.

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